



State Board of Equalization

News Release

Michelle Steel, Member

3rd District – Rolling Hills Estates

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Executive Director
www.boe.ca.gov

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Michelle Steel Says California Gasoline Demand Up 0.7%, Diesel Down

Fourth Month Increase for Gasoline While Diesel Follows State's Economic Activity

Michelle Steel, Third District Member of the State Board of Equalization (BOE), today released California gasoline and diesel consumption figures for August 2009. Demand for gasoline increased 0.7 percent and diesel declined 17.1 percent compared to the same month last year.

While this is the fourth month of slight increase in gasoline consumption, so far in 2009 California gasoline consumption has declined 1.6 percent compared to January through August of 2008.

Editors: Please see attached chart showing percentage change in consumption compared to 12 months ago from January 2008 through August 2009.

In August 2009, gasoline demand rose 0.7 percent when Californians used 1.268 billion gallons of gasoline compared to 1.260 billion gallons the same month last year. The average California gasoline price at the pump in August was \$3.06 per gallon compared to \$4.13 in August 2008, a 25.9 percent decrease from a record high price.

Gasoline sold in August generated approximately \$324 million in sales tax during that month, an estimated \$59 million less than generated last year. August sales tax revenues from gasoline would have been about \$37 million less had the state portion of the sales and use tax rate not increased by one percent on April 1, 2009.

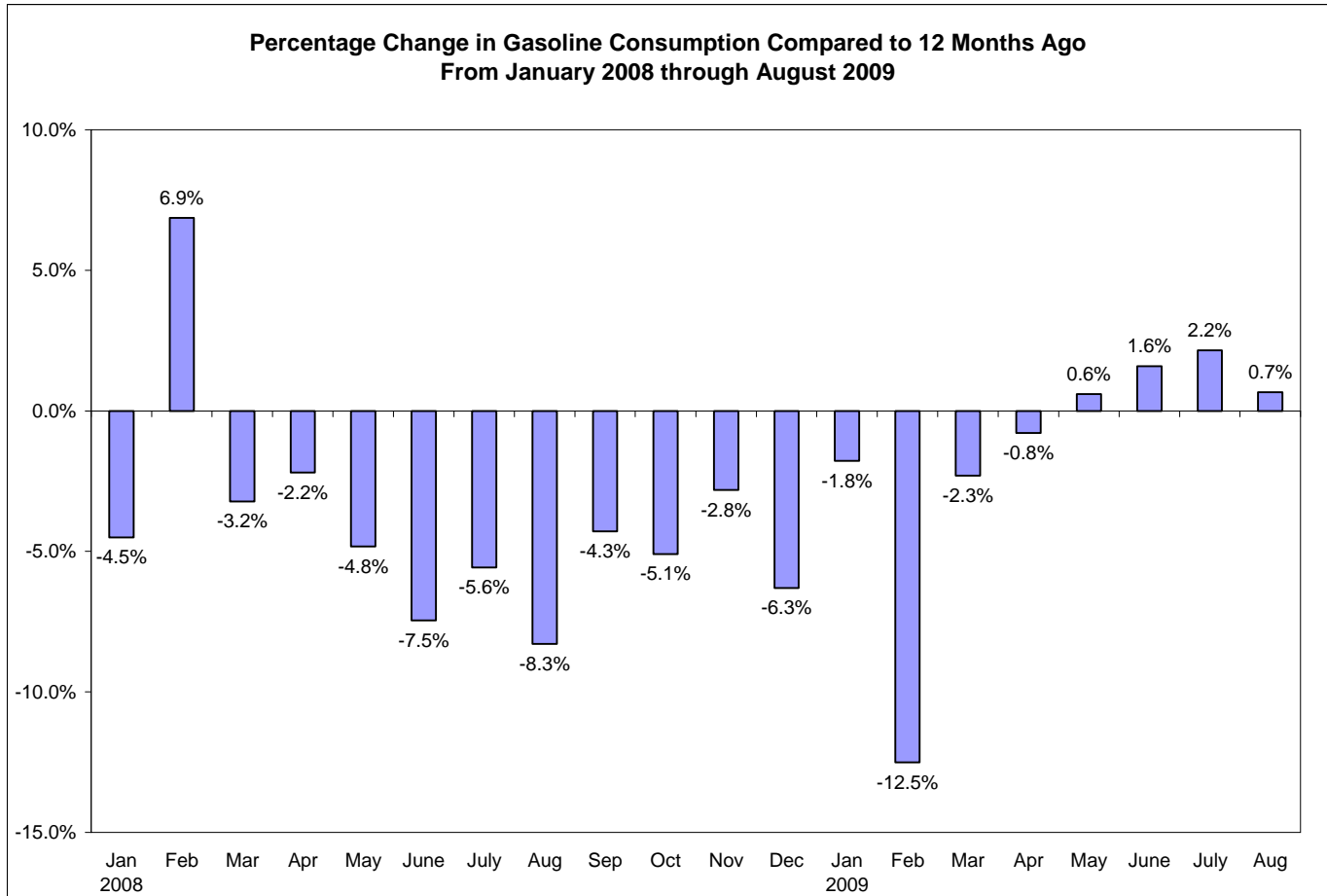
Diesel fuel sold in California during August totaled 193.95 million gallons compared to last year's August total of 234.02 million gallons, which is a decline of 17.1 percent. California diesel prices were \$2.85 per gallon in August 2009 down 37.2 percent compared to August 2008 when the average diesel price was \$4.54 per gallon.

Diesel consumption generally follows economic activity during a recession. While the diesel gallons reflected in the August numbers are down 40.1 million gallons, indicating a decline of 17.1 percent, the reduction in consumption is likely to be less. The actual decline may be closer to 20.8 million gallons, a decline of 8.9 percent, because the August 2009 figures include a 19.3 million gallon non-recurring credit. The gallons included in the monthly consumption numbers are always net of audit assessments and refunds. The August 2009 credit was larger than most and may have skewed the actual amount of decline.

The BOE is able to monitor gallons through tax receipts paid by fuel distributors. Figures for September 2009 are scheduled to be available at the end of December 2009. All monthly, quarterly, and annual figures can be viewed at: www.boe.ca.gov/sptaxprog/spftrpts.htm.

Taxable Gasoline Gallons: www.boe.ca.gov/sptaxprog/reports/MVF_10_Year_Report.pdf.

Taxable Diesel Gallons: www.boe.ca.gov/sptaxprog/reports/Diesel_10_Year_Report.pdf.



Elected to the Board of Equalization in 2006, Michelle Steel serves as Southern California's elected taxpayer advocate. In 2008, Steel uncovered a \$42 million mistake in the agency's sales tax refund procedures. Following her investigation, the tax agency refunded tax security deposits to over 5,500 small businesses.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$53 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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